

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Sarah Harpole		2. Telephone No. 503.823.3337	3. Bureau/Office/Dept. Portland Development Commission on behalf of the Mayor's Office
4a. To be filed (hearing date): July 16, 2014	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: June 26, 2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Accept the Old Town/Chinatown Five-Year Action Plan and authorize modifications to the System Development Charge Exemption Program. (Ordinance; amend Code Section 30.01.095)

2) Purpose of the Proposed Legislation:

The Old Town/Chinatown 5-Year Action Plan (Action Plan) is a comprehensive community development initiative to create a safe, vibrant, economically healthy neighborhood in Old Town/Chinatown. Addressing public safety and livability; balancing residential incomes through the introduction of new middle-income units and preservation of existing affordable housing units; investing in rehabilitation of historic buildings; embracing and enhancing the area's unique culture, history and identity; and, promoting economic vitality were articulated as top priorities for community stakeholders. Implementing the Action Plan will require collaboration and leveraging of a variety of resources among multiple public and private sector partners. The Action Plan recommends a limited expansion of the System Development Charge (SDC) Exemption Program to support new residential units serving a balance of incomes and to help accomplish the goals articulated in the strategy.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|---|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input checked="" type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input checked="" type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The intent of the Action Plan is to spur investment and business vitality in Old Town/Chinatown. If successful, the City will collect increased revenue from building permit and land use fees and business license taxes. The extent of increased revenues collected from these sources cannot be quantified at this time.

The Action Plan includes a recommendation for a limited expansion of the SDC Exemption Program to incentivize up to 500 residential units serving moderate-income households, over a five-year timeframe. The recommendation is anticipated to have an exceptionally limited impact to existing/forecasted revenue streams the SDC bureaus have been collecting in the neighborhood. Old Town/Chinatown has generated minimal SDC revenue from residential development over the last decade. For example, over the past 10 years, the Parks Bureau has collected over \$53 million in SDCs city-wide and \$97,113 has come from development in Old Town/Chinatown – or less than 0.18%. Over the past 6 years, the Bureau of Transportation has collected over \$32 million in SDCs city-side and \$166,372 or approximately 0.52% has come from development in Old Town/Chinatown. Assuming the program is successful at spurring residential development in Old Town/Chinatown, the value of SDC exemptions provided is to be capped at 500 units. At today's rates, this is estimated at approximately \$7 million. As is consistent with existing program guidelines, the non-residential components of a development and/or units not meeting eligibility criteria will remain subject to SDCs thereby generating revenue for the bureaus.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

The Action Plan includes the following budget recommendations:

Tool	Budget		
	FY 14/15	5 YR Total	Source
District Manager Grant Match	\$30,000	\$90,000	General Fund

City Council approved the Portland Development Commission's FY 2014-2015 budget, including \$30,000 as part of the Commission's General Fund allocation, on May 28, 2014.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?

No

- Will positions be created or eliminated in *future years* as a result of this legislation?

No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations

Not applicable

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES: Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

9) If “YES,” please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

The Action Plan outlines how public and private partners can work together to enhance the vibrancy of Old Town/Chinatown. The Action Plan and recommended resources provide a work plan and toolbox to:

- Attract new neighborhood investment to activate key properties and improve district connectivity;
- Promote business vitality by increasing employment and retail activity; and
- Align resources and build local capacity for improving district livability.

Successful implementation of the Action Plan will be demonstrated through the following key measures of success:

- Neighborhood Investment
 - 500 new middle-income housing units constructed or under construction
 - 5 buildings rehabilitated or underway
 - District Parking strategy identified
- Business Vitality
 - Net gain of 5 new retail stores open
 - 500 new living wage jobs in district
- District Livability
 - Four annual neighborhood events held, including use of public space
 - Marketing collateral developed and used by community

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

The Action Plan has been discussed in multiple forums, including:

Old Town/Chinatown Community Association Meetings & Land Use Subcommittee Meetings	9/13 – 6/14; monthly meetings
Old Town/Chinatown Community Forum	4/9

Portland Business Alliance Skidmore-Old Town-Chinatown Task Force Meetings	2/14 – 5/14; five meetings
Portland Business Alliance Central City Committee Meeting	11/13, 6/17
Skidmore / Old Town property owners forum	2/13
Chinese American stakeholders forum	2/13
Individual meetings with business and property owners	various
Entrepreneurs outreach: interviews with 12 entrepreneurial organizations and 15 software firms	various
Collaboration with 14 City Bureaus and Portland Patrol Inc, to assess appropriate district resources	9/13 – 10/13; 9 meetings
Landmarks Commission	6/23
Planning & Development Directors Meeting	7/13
PDC Board Briefing	10/13

c) How did public involvement shape the outcome of this Council item?

Feedback from the above outreach played a significant role in shaping the recommendations included in the Action Plan. This collaboration is best evidenced by the Old Town Chinatown Community Association’s letter to members of City Council and the PDC Board dated May 2014. In the letter, the association states they “enthusiastically support the implementation” of the Action Plan while offering additional recommendations and priorities on behalf of the community. Upon receipt of the letter, which was a summation of input received at numerous community meetings including a forum on April 9, 2014 attended by approximately 75 stakeholders, the Action Plan was further revised to incorporate several of the community’s recommendations. The Action Plan is also consistent with much of the report provided by the Skidmore-Old Town-Chinatown Task Force convened by the Portland Business Alliance to provide input to the Action Plan process as well as the parallel Central City 2035 efforts underway by the Bureau of Planning and Sustainability.

d) Who designed and implemented the public involvement related to this Council item?

The Portland Development Commission and the Mayor’s Office, in coordination with community stakeholder groups including the Old Town/Chinatown Community Association and the Portland Business Alliance Skidmore-Old Town-Chinatown Task Force; the Bureau of Planning and Sustainability, Portland Police Bureau, and Office of Neighborhood Involvement were also engaged in these discussions.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Sarah Harpole, Senior Project Manager, Portland Development Commission,
503.823.3337, harpoles@pdc.us

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Ongoing updates and opportunities for public involvement pertaining to the implementation of the Action Plan will occur over the next five years. The primary forum for these activities will be through the Old Town/Chinatown Community Association and as part of the evaluation associated with specific projects, such as the disposition and redevelopment of PDC-owned properties or the award of PDC's Community Livability Grants.

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APPROPRIATION UNIT HEAD (Typed name and signature)

Submitted by
Mayor Hales 7-23-14

Proposed amendment

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b. Section 30.01.095 F.2, Affordable Housing Preservation, is amended as follows:

2. Rental Units:

a. a. The units receiving an exemption shall be affordable to households earning 60 percent or less of area median family income at time of occupancy and shall be leased, rented or made available on a continuous basis to persons or households whose incomes are 60 percent or less of area median family income, as adjusted by household size and as determined by the U.S. Department of Housing and Urban Development for the Portland Metropolitan Area, except as provided for below. Such units shall remain affordable for a period of 60 years.

b. Effective July 1, 2014, developments of new buildings in Old Town/Chinatown serving households earning between 60 and 100 percent of area median family income at time of occupancy and which shall be leased, rented or made available on a continuous basis to persons or households whose incomes are 100 percent or less of median family income, as adjusted by household size and as determined by the U.S. Department of Housing and Urban Development for the Portland Metropolitan Area, shall be eligible for exemption subject to the following conditions:

- (1) Units must be located in the Old Town/Chinatown Action Plan Focus Area;
- (2) Financial need must be verified through project pro forma underwriting conducted by the Portland Development Commission;
- (3) All units shall remain affordable, for a period of not less than 10 years, to persons or households whose incomes are 100 percent or less of median family income, as adjusted by household size and as determined by the U.S. Department of Housing and Urban Development for the Portland Metropolitan Area, and for not less than 5 years thereafter shall continue to remain affordable to persons or households whose incomes are 120 percent or less of median family income, as so described; and
- (4) The exemption granted by this subsection shall not be available to developments for which a building permit application is filed on or after July 1, 2019, or after permit applications have been filed for development of 500 qualifying units, in the aggregate, whichever occurs first.